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DEPARTMENT OF COMMERCE

International Trade Administration

[A-427-801, A-428-801, A-475-801]

Ball Bearings and Parts Thereof from France, Germany, and Italy: Preliminary Results of Antidumping Duty Administrative Reviews and Rescission of Antidumping Duty Administrative Reviews in Part

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: In response to requests from interested parties, the Department of Commerce (the Department) is conducting administrative reviews of the antidumping duty orders on ball bearings and parts thereof from France, Germany, and Italy for the period May 1, 2010, through April 30, 2011. We have preliminarily determined that sales have been made below normal value by certain companies subject to these reviews. We invite interested parties to comment on these preliminary results.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Hermes Pinilla, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3477.

SUPPLEMENTARY INFORMATION:

Background

On May 15, 1989, the Department published the antidumping duty orders on ball bearings and parts thereof from France (54 FR 20902), Germany (54 FR 20900), and Italy (54 FR 20903) in the *Federal Register*. On June 28, 2011, in accordance with 19 CFR 351.221(b), we published a notice of initiation of administrative reviews of 89 companies subject to these

orders. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 76 FR 37781 (June 28, 2011).¹

On January 18, 2012, we issued a notice of extension of the deadline for completion of the preliminary results of reviews from January 31, 2012, to April 2, 2012. *See Ball Bearings and Parts Thereof From France, Germany, and Italy: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Reviews*, 77 FR 2511 (January 18, 2012). On March 21, 2012, we issued a second notice of extension of the deadline for completion of the preliminary results of reviews from April 2, 2012, to May 30, 2012. *See Ball Bearings and Parts Thereof From France, Germany, and Italy: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Reviews*, 77 FR 16537 (March 21, 2012).

The period of review is May 1, 2010, through April 30, 2011. The Department is conducting these administrative reviews in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of the Orders

The products covered by the orders are ball bearings and parts thereof. These products include all antifriction bearings that employ balls as the rolling element. Imports of these products are classified under the following categories: antifriction balls, ball bearings with integral shafts, ball bearings (including radial ball bearings) and parts thereof, and housed or mounted ball bearing units and parts thereof.

¹ On July 16, 2011, we revoked the antidumping duty orders with respect to ball bearings and parts thereof from Japan and the United Kingdom. *See Ball Bearings and Parts Thereof From Japan and the United Kingdom: Revocation of Antidumping Duty Orders*, 76 FR 41761 (July 15, 2011). In the *Federal Register* notice we indicated that, as a result of the revocation, the Department is discontinuing all unfinished administrative reviews immediately and will not initiate any new administrative reviews of the orders.

Imports of these products are classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 3926.90.45, 4016.93.10, 4016.93.50, 6909.19.50.10, 8414.90.41.75, 8431.20.00, 8431.39.00.10, 8482.10.10, 8482.10.50, 8482.80.00, 8482.91.00, 8482.99.05, 8482.99.35, 8482.99.25.80, 8482.99.65.95, 8483.20.40, 8483.20.80, 8483.30.40, 8483.30.80, 8483.50.90, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, 8708.60.80, 8708.93.30, 8708.93.60.00, 8708.99.06, 8708.99.31.00, 8708.99.40.00, 8708.99.49.60, 8708.99.58, 8708.99.80.15, 8708.99.80.80, 8803.10.00, 8803.20.00, 8803.30.00, 8803.90.30, 8803.90.90, 8708.30.50.90, 8708.40.75.70, 8708.40.75.80, 8708.50.79.00, 8708.50.89.00, 8708.50.91.50, 8708.50.99.00, 8708.70.60.60, 8708.80.65.90, 8708.93.75.00, 8708.94.75, 8708.95.20.00, 8708.99.55.00, 8708.99.68, and 8708.99.81.80.

Although the HTSUS item numbers above are provided for convenience and customs purposes, the written descriptions of the scope of the orders remain dispositive.

The size or precision grade of a bearing does not influence whether the bearing is covered by one of the orders. The orders cover all the subject bearings and parts thereof (inner race, outer race, cage, rollers, balls, seals, shields, *etc.*) outlined above with certain limitations. With regard to finished parts, all such parts are included in the scope of the orders. For unfinished parts, such parts are included if they have been heat-treated or if heat treatment is not required to be performed on the part. Thus, the only unfinished parts that are not covered by the orders are those that will be subject to heat treatment after importation. The ultimate application of a bearing also does not influence whether the bearing is covered by the orders. Bearings designed for highly specialized applications are not excluded. Any of the subject bearings, regardless of

whether they may ultimately be utilized in aircraft, automobiles, or other equipment, are within the scope of the orders.

For a list of scope determinations which pertain to the orders, *see* the “Memorandum to Minoo Hatten” regarding scope determinations for the 2010/2011 reviews, dated concurrently with this notice, which is on file in the Central Records Unit (CRU) of the main Commerce building, room 7046.

Selection of Respondents for Individual Examination

Due to the large number of companies in these reviews and the resulting administrative burden of examining each company for which a request was made and not withdrawn, the Department exercised its authority to limit the number of respondents selected for individual examination in these reviews. Where it is not practicable to examine all known exporters/producers of subject merchandise because of the large number of such companies, section 777A(c)(2) of the Act allows the Department to limit its examination to either a sample of exporters, producers, or types of products that is statistically valid, based on the information available at the time of selection, or exporters and producers accounting for the largest volume of subject merchandise from the exporting country that can be reasonably examined.

Accordingly, on July 6, 2011, we requested information concerning the quantity and value of sales to the United States from the 89 exporters/producers for which we had initiated reviews. We received responses from most of the exporters/producers subject to the reviews; some companies withdrew their requests for review.² Based on our analysis of the responses and our available resources, we chose to examine the sales of certain companies. *See* Memoranda to

² *See* “Rescission of Reviews in Part” section below.

Laurie Parkhill, dated August 8, 2011, for a detailed analysis of the selection process for each country-specific review. We selected the following companies for individual examination:

<u>Country</u>	<u>Company</u>
France	Eurocopter S.A.S NTN-SNR Roulements S.A. (NTN-SNR) (formerly SNR Roulements S.A./SNR Europe)
Germany	Volkswagen Zubehor GmbH, Volkswagen AG, myonic GmbH (myonic)
Italy	SKF Italy Schaeffler Italia S.r.l. (formerly FAG Italia S.p.A.) ³

Rescission of Reviews in Part

In accordance with 19 CFR 351.213(d), the Department will rescind an administrative review in part “if a party that requested a review withdraws the request within 90 days of the date of the publication of notice of initiation of the requested review.” Subsequent to the initiation of these reviews, we received timely withdrawals of the requests we had received for the reviews as follows:

<u>Country</u>	<u>Company</u>
France	Eurocopter S.A.S, Kongskilde Limited, SKF France
Germany	Audi AG, Kongskilde Limited, Schaeffler KG, Schaeffler Technologies GmbH & Co. KG, SKF GmbH, Volkswagen AG, Volkswagen Zubehor GmbH
Italy	Eurocopter S.A.S., Kongskilde Limited

³ We initiated on WBP Pump Bearing GmbH & Co. KG as well.

Rates for Respondents Not Selected for Individual Examination

Generally we have looked to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for respondents not selected for individual review. Section 735(c)(5)(A) of the Act instructs that we are not to calculate an all-others rate using any zero or *de minimis* margins or any margins based on total facts available. Accordingly, the Department's usual practice has been to average the rates for the selected companies excluding zero, *de minimis*, and rates based entirely on facts available. See *Ball Bearings and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews and Rescission of Reviews in Part*, 73 FR 52823, 52824 (September 11, 2008), and accompanying Issues and Decision Memorandum at Comment 16 (*AFBs 2008*). Section 735(c)(5)(B) of the Act also provides that, where all margins are zero, *de minimis*, or based on total facts available, we may use "any reasonable method" for assigning the rate to non-selected respondents. One method that section 735(c)(5)(B) of the Act contemplates as a possible method is "averaging the estimated weighted average dumping margins determined for the exporters and producers individually investigated."

In these reviews, we have calculated zero or *de minimis* weighted-average dumping margins for all companies selected as mandatory respondents. In previous cases, the Department has determined that a "reasonable method" to use when, as here, the rates of the respondents selected for individual examination are zero or *de minimis* is to apply to those companies not selected for individual examination the average of the most recently determined rates that are not zero, *de minimis*, or based entirely on facts available (which may be from a prior review or new

shipper review). *See AFBs 2008* and accompanying Issue and Decision Memorandum at Comment 16. If any such non-selected company had its own calculated rate that is contemporaneous with or more recent than such prior determined rates, however, the Department has applied such individual rate to the non-selected company in the review in question, including when that rate is zero or *de minimis*. *Id.* However, all prior rates for this proceeding were calculated using the Department's zeroing methodology. The Department has stated that it will not use its zeroing methodology in administrative reviews with preliminary determinations issued after April 16, 2012. *See Antidumping Proceedings: Calculation of the Weighted Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012) (*Final Modification for Reviews*). Therefore, we will not apply any rates calculated in prior reviews to the non-selected companies in these reviews. Based on this, and in accordance with the statute, we determine that a reasonable method for determining the weighted-average dumping margins for the non-selected respondents in these reviews is to average the weighted-average dumping margins calculated for the mandatory respondents or to assign the rate calculated for the sole mandatory respondent, where applicable.

Verification

As provided in section 782(i) of the Act, we have verified information provided by NTN-SNR. We conducted this verification using standard verification procedures including the examination of relevant sales and financial records and the selection and review of original documentation containing relevant information. Our verification results are outlined in the

public version of our verification report,⁴ which is on file electronically *via* Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). Access to IA ACCESS is available in the Central Records Unit, room 7046 of the main Department of Commerce building.

During the home market sales verification of NTN-SNR, we requested that the company present specific information and source documentation substantiating the rebates that it claims it granted to certain customers. The company was not able to do so. Thus, for the preliminary results, we denied an offset for all customer-specific rebates NTN-SNR reported. *See* NTN-SNR's verification report and preliminary analysis memorandum for further discussion.

Targeted Dumping Allegations

The Department received targeted dumping allegations from the petitioner concerning NTN-SNR, myonic, Schaeffler Italia S.r.l, and SKF Italy. Specifically, the petitioner states that it conducted its own targeted dumping analysis of the U.S. sales of these companies using the Department's targeted dumping methodology. Based on its own analysis, the petitioner argues that the Department should conduct targeted dumping analyses and employ average-to-transaction comparisons without offsets should the Department find targeted dumping. NTN-SNR, Schaeffler Italia S.r.l, and SKF Italy argue that the Department does not have the statutory authority to apply a targeted dumping analysis in an administrative review. Myonic argues that the petitioner's targeted dumping allegation does not provide sufficient grounds for using a comparison methodology different than the Department's standard comparison methodology, *i.e.*, comparing monthly weighted-average normal values to monthly weighted-average export

⁴ *See* Memorandum to file from Yang Jin Chun and Sandra Stewart entitled, "Ball Bearings and Parts Thereof from France: Verification Report for NTN-SNR Roulement S.A.'s Sales," dated February 27, 2012 (NTN-SNR's verification report).

prices, because the value of targeted dumping alleged by the petitioner is immaterial. *See* myonic's May 3, 2012, comments at 2.

NTN-SNR, myonic, Schaeffler Italia S.r.l, and SKF Italy contend that the Department should use an average-to-average comparison methodology or, if it does use an average-to-transaction comparison methodology, it should not apply zeroing but should grant offsets for non-dumped comparisons.

For purposes of these preliminary results the Department did not conduct a targeted dumping analysis. In calculating the preliminary weighted-average dumping margins for the mandatory respondents, the Department applied the calculation methodology adopted in *Final Modification for Reviews*. In particular, the Department compared monthly weighted-average export prices (EPs) (or constructed export prices (CEPs)) with monthly weighted-average normal values and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margins. Application of this methodology in these preliminary results affords parties an opportunity to meaningfully comment on the Department's implementation of this recently adopted methodology in the context of this administrative review. The Department intends to continue to consider, pursuant to 19 CFR 351.414(c), whether another method is appropriate in these administrative reviews in light of the parties' pre-preliminary comments and any comments on the issue that parties may include in their case and rebuttal briefs.

Export Price and Constructed Export Price

For the price to the United States, we used EP or CEP as defined in sections 772(a) and (b) of the Act, as appropriate.

We calculated EP and CEP based on the packed F.O.B., C.I.F., or delivered price to unaffiliated purchasers in, or for exportation to, the United States. We made deductions, as appropriate, for discounts and rebates. *See* 19 CFR 351.401(c) and 351.102(b)(38). We also made deductions for any movement expenses in accordance with section 772(c)(2)(A) of the Act.

Certain companies received freight revenues or packing revenues from the customer for certain U.S. sales. In *Certain Orange Juice from Brazil: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 73 FR 46584 (August 11, 2008) (*OJ Brazil*), and accompanying Issues and Decision Memorandum at Comment 7, and in *Polyethylene Retail Carrier Bags from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 74 FR 6857 (February 11, 2009) (*PRC Bags*), and accompanying Issues and Decision Memorandum at Comment 6, the Department determined to treat such revenues as an offset to the specific expenses for which they were intended to compensate. Accordingly, we have used the revenues of the particular respondents as an offset to their respective expenses.

Consistent with section 772(d)(1) of the Act, we calculated CEP by deducting selling expenses associated with economic activities occurring in the United States which includes commissions, direct selling expenses, and U.S. repacking expenses. In accordance with sections 772(d)(1) and (2) of the Act, we also deducted those indirect selling expenses associated with economic activities occurring in the United States and the profit allocated to expenses deducted under section 772(d)(1) of the Act in accordance with sections 772(d)(3) and 772(f) of the Act. In accordance with section 772(f) of the Act, we computed profit based on the total revenues realized on sales in both the U.S. and home markets, less all expenses associated with those sales. We then allocated profit to expenses incurred with respect to U.S. economic activity based

on the ratio of total U.S. expenses to total expenses for both the U.S. and home markets. Finally, we made an adjustment for profit allocated to these expenses in accordance with section 772(d)(3) of the Act.

With respect to NTN-SNR, because it reported inland freight, international freight, and packing expenses applicable to its U.S. sales on the basis of value, we recalculated these expenses on the basis of weight. *See Ball Bearings and Parts Thereof from France, et al.: Preliminary Results of Antidumping Duty Administrative Reviews*, 71 FR 12170, 12173 (March 9, 2006), unchanged in *Ball Bearings and Parts Thereof from France, et al.: Final Results of Antidumping Duty Administrative Reviews*, 71 FR 40064 (July 14, 2006) (AFBs 16), and accompanying Issues and Decision Memorandum at Comment 6. *See also Ball Bearings and Parts Thereof From France, et al.: Preliminary Results of Antidumping Administrative and Changed-Circumstances Reviews*, 76 FR 22372 (April 21, 2011), unchanged in *Ball Bearings and Parts Thereof From France, et al.: Final Results of Antidumping Administrative and Changed-Circumstances Reviews*, 76 FR 52937 (August 24, 2011) (AFBs 21).

SKF Italy imported subject merchandise and further processed it in the United States before selling it to an unaffiliated purchaser. Section 772(e) of the Act provides that, when the subject merchandise is imported by an affiliated person and the value added in the United States by the affiliated person is likely to exceed substantially the value of the subject merchandise, we shall determine the CEP for such merchandise using the price of identical or other subject merchandise sold by the exporter or producer to an unaffiliated customer if there is a sufficient quantity of sales to provide a reasonable basis for comparison and we determine that the use of such sales is appropriate. If there is not a sufficient quantity of such sales or if we determine that

using the price of identical or other subject merchandise is not appropriate, we may use any other reasonable basis to determine CEP.

To determine whether the value added is likely to exceed substantially the value of the subject merchandise, we estimated the value added based on the difference between the averages of the prices charged to the first unaffiliated purchaser for the merchandise as sold in the United States and the averages of the prices paid for the subject merchandise by the affiliated purchaser. Based on this analysis, we determined that the estimated value added in the United States by the further-manufacturing firms accounted for at least 65 percent of the price charged to the first unaffiliated customer for the merchandise as sold in the United States. *See* 19 CFR 351.402(c) for an explanation of our practice on this issue. Therefore, we preliminarily determine that the value added is likely to exceed substantially the value of the subject merchandise for SKF Italy. Also, for SKF Italy, we determine that there was a sufficient quantity of sales remaining to provide a reasonable basis for comparison and that the use of these sales is appropriate. For the analysis of the decision not to require further-manufactured data, *see* the Department's company-specific preliminary analysis memoranda dated concurrently with this notice. Accordingly, for purposes of determining dumping margins for the sales subject to the special rule, we have used the weighted-average dumping margin calculated on sales of identical and other subject merchandise sold to unaffiliated persons.

No other adjustments to EP or CEP sales were claimed by the respondents. For further descriptions of our analyses, *see* the company-specific preliminary analysis memoranda dated concurrently with this notice.

Home Market Sales

Based on a comparison of the aggregate quantity of home market and U.S. sales and absent any information that a particular market situation in the exporting country did not permit a proper comparison, we determined that the quantity of foreign like product sold by all respondents in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States pursuant to section 773(a)(1) of the Act. Each company's quantity of sales in its home market was greater than five percent of its sales to the U.S. market. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based normal value on the prices at which the foreign like product was first sold for consumption in the exporting country in the usual commercial quantities and in the ordinary course of trade and, to the extent practicable, at the same level of trade as the EP or CEP sales.

The Department may calculate normal value based on a sale to an affiliated party only if it is satisfied that the price to the affiliated party is comparable to the price at which sales are made to parties not affiliated with the exporter or producer, *i.e.*, sales were made at arm's-length prices. *See* 19 CFR 351.403(c). We excluded from our analysis sales to affiliated customers for consumption in the home market that we determined not to have been made at arm's-length prices. To test whether sales to affiliated parties were made at arm's-length prices, we compared the prices of sales of comparable merchandise to affiliated and unaffiliated customers, net of all rebates, movement charges, direct selling expenses, and packing. Pursuant to 19 CFR 351.403(c) and in accordance with our practice, when the prices charged to an affiliated party were, on average, between 98 and 102 percent of the prices charged to unaffiliated parties for merchandise comparable to that sold to the affiliated party, we determined that the sales to the

affiliated party were at arm's-length prices. *See Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186 (November 15, 2002). We included in our calculation of normal value those sales to affiliated parties that were made at arm's-length prices. *See* company-specific preliminary analysis memoranda dated concurrently with this notice.

Cost of Production

In accordance with section 773(b) of the Act, in the last completed segment of the relevant country-specific proceeding we disregarded below-cost sales for NTN-SNR, Schaeffler Italia S.r.l., SKF Italy, and myonic. Therefore, for the instant reviews, we have reasonable grounds to believe or suspect that sales by all of the above companies of the foreign like product under consideration for the determination of normal value in these reviews may have been made at prices below the cost of production (COP) as provided by section 773(b)(2)(A)(ii) of the Act. Pursuant to section 773(b)(1) of the Act, we conducted COP investigations of sales by these firms in the respective home markets.

We examined the cost data for NTN-SNR, Schaeffler Italia S.r.l., SKF Italy, and myonic and determined that our quarterly cost methodology is not warranted and, therefore, we have applied our standard methodology of using annuals costs based on the reported data, adjusted as described below.

In accordance with section 773(b)(3) of the Act, we calculated the COP based on the sum of the costs of materials and fabrication employed in producing the foreign like product, the general and administrative expenses, and financial expenses. In our COP analysis, we used the home market sales and COP information provided by each respondent in its questionnaire

responses or, in the case of Schaeffler Italia S.r.l., additional COP information provided by its largest supplier.

After calculating the COP and in accordance with section 773(b)(1) of the Act, we tested whether home market sales of the foreign like product were made at prices below the COP within an extended period of time in substantial quantities and whether such prices permitted the recovery of all costs within a reasonable period of time. We compared model-specific COPs to the reported home market prices less any applicable movement charges, discounts and rebates, selling and packing expenses.

Pursuant to section 773(b)(2)(C) of the Act, when less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard the below-cost sales of that product because the below-cost sales were not made in substantial quantities within an extended period of time. When 20 percent or more of a respondent's sales of a given product during the period of review were at prices less than the COP, we disregarded the below-cost sales because they were made in substantial quantities within an extended period of time pursuant to sections 773(b)(2)(B) and (C) of the Act and because, based on comparisons of prices to weighted-average COPs for the period of review, we determined that these sales were at prices which would not permit recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Act. Based on this test, we disregarded below-cost sales made by myonic, Schaeffler Italia S.r.l., SKF Italy, and NTN-SNR. *See* the relevant company-specific preliminary analysis memoranda dated concurrently with this notice.

Model Match Methodology

For all respondents, where possible, we compared the monthly, weighted-average U.S. sales to the monthly, weighted-average sales of the foreign like product in the home market. Specifically, in making our comparisons, if an identical home market model was reported, we made comparisons to monthly weighted-average home market prices that were based on all sales which, where appropriate, passed the COP test of the identical product during the relevant month. We calculated the monthly weighted-average home market prices on a level of trade-specific basis and a manufacturer basis. If there were no contemporaneous sales of an identical model, we identified the most similar home market model.

To determine the most similar model, we limited our examination to models sold in the home market that had the same bearing design, load direction, number of rows, and precision grade. Next, we calculated the sum of the deviations (expressed as a percentage of the value of the U.S. model's characteristics) of the inner diameter, outer diameter, width, and load rating for each potential home market match and selected the bearing with the smallest sum of the deviations. If two or more bearings had the same sum of the deviations, we selected the model that was sold at the same level of trade as the U.S. sale and was the closest contemporaneous sale to the U.S. sale. If two or more models were sold at the same level of trade and were sold equally contemporaneously, we selected the model with the smallest difference-in-merchandise adjustment.

Finally, if no model sold in the home market had a sum of the deviations that was less than 40 percent, we concluded that no appropriate comparison existed in the home market. For a full discussion of the model match methodology we have used in these reviews, *see Antifriction*

Bearings and Parts Thereof from France, et al.: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Reviews, 70 FR 25538, 25542 (May 13, 2005), and *Ball Bearings and Parts Thereof from France, et al.: Final Results of Antidumping Duty Administrative Reviews*, 70 FR 54711 (September 16, 2005), and accompanying Issues and Decision Memorandum at Comments 2, 3, and 5.

Normal Value

Home market prices were based on the packed, ex-factory, or delivered prices to affiliated or unaffiliated purchasers. When applicable, we made adjustments for differences in packing and for movement expenses in accordance with sections 773(a)(6)(A) and (B) of the Act. Where companies received freight or packing revenues from the home-market customer, we offset these expenses in accordance with *OJ Brazil* and *PRC Bags* as discussed above. We also made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411 and for differences in circumstances of sale in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. For comparisons to EP, we made circumstance-of-sale adjustments by deducting home market direct selling expenses from, and adding U.S. direct selling expenses to, normal value. For comparisons to CEP, we made circumstance-of-sale adjustments by deducting home market direct selling expenses from normal value. We also made adjustments, when applicable, for home market indirect selling expenses to offset U.S. commissions in EP and CEP calculations.

In accordance with section 773(a)(1)(B)(i) of the Act, we based normal value, to the extent practicable, on sales at the same level of trade as the EP or CEP. If normal value was

calculated at a different level of trade, we made an adjustment, if appropriate and if possible, in accordance with section 773(a)(7)(A) of the Act. *See* “Level of Trade” section below.

Constructed Value

In accordance with section 773(a)(4) of the Act, we used constructed value as the basis for normal value when there were no usable sales of the foreign like product in the comparison market. We calculated constructed value in accordance with section 773(e) of the Act. We included the cost of materials and fabrication, selling, general & administrative (SG&A) expenses, U.S. packing expenses, and profit in the calculation of constructed value. In accordance with section 773(e)(2)(A) of the Act, we based selling SG&A expenses and profit on the amounts incurred and realized by each respondent in connection with the production and sale of the foreign like product in the ordinary course of trade for consumption in the home market.

When appropriate, we made adjustments to constructed value in accordance with section 773(a)(8) of the Act, 19 CFR 351.410, and 19 CFR 351.412 for circumstance-of-sale differences and level-of-trade differences. For comparisons to EP, we made circumstance-of-sale adjustments by deducting home market direct selling expenses from and adding U.S. direct selling expenses to constructed value. For comparisons to CEP, we made circumstance-of-sale adjustments by deducting home market direct selling expenses from constructed value. We also made adjustments, when applicable, for home market indirect selling expenses to offset U.S. commissions in EP and CEP comparisons.

When possible, we calculated constructed value at the same level of trade as the EP or CEP. If constructed value was calculated at a different level of trade, we made an adjustment, if appropriate and if possible, in accordance with sections 773(a)(7) and (8) of the Act.

Level of Trade

To the extent practicable, we determined normal value for sales at the same level of trade as the U.S. sales (either EP or CEP). When there were no sales at the same level of trade, we compared U.S. sales to home market sales at a different level of trade. The normal value level of trade is that of the starting-price sales in the home market. When normal value is based on constructed value, the level of trade is that of the home market sales from which we derived the adjustments for SG&A and profit.

To determine whether home market sales were at a different level of trade than U.S. sales, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the home market sales were at a different level of trade from that of U.S. sales and the difference affected price comparability, as manifested in a pattern of consistent price differences between the sales on which normal value is based and home market sales at the level of trade of the export transactions, we made a level-of-trade adjustment under section 773(a)(7)(A) of the Act. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997).

Where the respondent reported no home market levels of trade that were equivalent to the CEP level of trade and where the CEP level of trade was at a less advanced stage than any of the home market levels of trade, we were unable to calculate a level-of-trade adjustment based on the respondent's home market sales of the foreign like product. Furthermore, we have no other information that provides an appropriate basis for determining a level-of-trade adjustment. For CEP sales in such situations, to the extent possible, we determined normal value at the same

level of trade as the U.S. sale to the first unaffiliated customer and made a CEP-offset adjustment in accordance with section 773(a)(7)(B) of the Act. The CEP-offset adjustment to normal value was subject to the so-called “offset cap,” calculated as the sum of home market indirect selling expenses up to the amount of U.S. indirect selling expenses deducted from CEP (or, if there were no home market commissions, the sum of U.S. indirect selling expenses and U.S. commissions).

For a company-specific description of our level-of-trade analyses for these preliminary results, *see* Memorandum to Minoo Hatten, dated concurrently with this notice, entitled “Ball Bearings and Parts Thereof from Various Countries: 2010/2011 Level-of-Trade Analysis,” electronically filed in IA ACCESS in each country specific record.

Preliminary Results of Reviews

As a result of our reviews, we preliminarily determine that the following weighted-average dumping margins on ball bearings and parts thereof from various countries exist for the period May 1, 2010, through April 30, 2011:

FRANCE

<u>Company</u>	<u>Margin (percent)</u>
Audi AG	0.00
Bosch Rexroth SAS	0.00
Caterpillar Group Services S.A.	0.00
Caterpillar Materials Routiers S.A.S.	0.00
Caterpillar S.A.R.L.	0.00
Intertechnique SAS	0.00
Perkins Engines Company Limited	0.00

SNECMA	0.00
NTN-SNR	0.00
Volkswagen AG	0.00
Volkswagen Zubehor GmbH	0.00

GERMANY

<u>Company</u>	<u>Margin (percent)</u>
Bayerische Motoren Werke AG	0.00
Bosch Rexroth AG	0.00
BSH Bosch und Siemens Hausgerate GmbH	0.00
Caterpillar S.A.R.L.	0.00
myonic GmbH	0.00
Robert Bosch GmbH	0.00
Robert Bosch GmbH Power Tools and Hagglunds Drives	0.00

ITALY

<u>Company</u>	<u>Margin (percent)</u>
Audi AG	0.00
Bosch Rexroth S.p.A	0.00
Caterpillar Overseas S.A.R.L.	0.00
Caterpillar of Australia Pty. Ltd.	0.00
Caterpillar Group Services S.A.	0.00
Caterpillar Mexico, S.A. de C.V.	0.00
Caterpillar Americas C.V.	0.00

Hagglunds Drives S.r.l.	0.00
Perkins Engines Company Limited	0.00
Schaeffler Italia S.r.l. and WPB Water Pump Bearing GmbH & Co. KG, Schaeffler Italia SpA and The Schaeffler Group	0.00
SKF Industries S.p.A., Somecat S.p.A., and SKF RIV-SKF Officine di Villar Perosa S.p.A.	0.00
SNECMA	0.00
Volkswagen AG	0.00
Volkswagen Zubehor GmbH	0.00

Comments

We will disclose the calculations we used in our analysis to parties to these reviews within five days of the date of publication of this notice. *See* 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of the date of publication of this notice. *See* 19 CFR 351.310(c). If requested, a general-issues hearing and any hearings regarding issues related solely to specific countries will be held at the main Department building at times and locations to be determined.

Interested parties who wish to request a hearing or to participate if one is requested must submit a written request to the Assistant Secretary for Import Administration within 30 days of the date of publication of this notice. *See* 19 CFR 351.310(c). Requests should contain the following: (1) the party's name, address, and telephone number; (2) the number of participants; (3) a list of issues to be discussed.

Issues raised in hearings will be limited to those raised in the respective case briefs. Case briefs from interested parties and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted not later than the following dates:

<u>Case</u>	<u>Briefs due</u>	<u>Rebuttals due</u>
France	July 23, 2012	July 30, 2012
Germany	July 23, 2012	July 30, 2012
Italy	July 23, 2012	July 30, 2012

Parties who submit case briefs (*see* 19 CFR 351.309(c)) or rebuttal briefs (*see* 19 CFR 351.309(d)) in these proceedings are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

The Department intends to issue the final results of these administrative reviews, including the results of its analysis of issues raised in any such written briefs or at the hearings, if held, within 120 days of the date of publication of this notice.

Assessment Rates

The Department shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. If the weighted-average dumping margin for particular respondents is above *de minimis* in the final results of these reviews, we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value for those sales in accordance with 19 CFR 351.212(b)(1).

The Department clarified its “automatic assessment” regulation on May 6, 2003. *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003). This clarification will apply to entries of subject merchandise during the period of review produced by companies selected for individual examination in these preliminary results of reviews for which the reviewed companies did not know their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the country-specific all-others rate if there is no rate for the intermediate company(ies) involved in the transaction. *Id.*

For the companies which were not selected for individual review, we will calculate an assessment rate based on the weighted average of the cash deposit rates calculated for the companies selected for individual review.

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of these reviews.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

These preliminary results of administrative reviews and rescission in part are issued and published in accordance with sections 751(a)(1), 751(b)(1), and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

May 30, 2012
Date

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